

HOUSE BILL 220

P2

2lr1667

By: **Delegates Kipke, Costa, A. Kelly, Krebs, Murphy, Pena–Melnyk, Ready, Reznik, Tarrant, and V. Turner**

Introduced and read first time: January 25, 2012

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Procurement – Community Service Providers – Executive Compensation –**
3 **Reporting Requirements**

4 FOR the purpose of requiring certain community service providers to prepare a report
5 of certain executive compensation and submit the report to certain entities; and
6 generally relating to executive compensation of community service providers.

7 BY repealing and reenacting, without amendments,
8 Article – State Finance and Procurement
9 Section 14–101(a) and (b), 14–103, and 14–108
10 Annotated Code of Maryland
11 (2009 Replacement Volume and 2011 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – State Finance and Procurement
14 Section 14–102
15 Annotated Code of Maryland
16 (2009 Replacement Volume and 2011 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article – State Finance and Procurement**

20 14–101.

21 (a) In this subtitle the following words have the meanings indicated.

22 (b) “Community service provider” means an entity that:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) is organized under the laws of the United States or this State;

2 (2) is accredited by the Division of Rehabilitation Services of the State
3 Department of Education for participation in the Employment Works Program;

4 (3) is operated in the interest of individuals who have a mental or
5 physical disability, including blindness, that:

6 (i) constitutes a substantial barrier to employment; and

7 (ii) prevents the individual from engaging in competitive
8 employment; and

9 (4) does not inure net income wholly or partly to the benefit of any
10 shareholder or other individual.

11 14–102.

12 (a) Notwithstanding any other provision of this Division II, the State shall
13 buy supplies and services in accordance with this subtitle.

14 (b) The procurement of services from a sheltered workshop is not subject to
15 the cost savings requirements of § 13–405 of the State Personnel and Pensions Article.

16 **(C) A COMMUNITY SERVICE PROVIDER THAT PARTICIPATES IN THE**
17 **EMPLOYMENT WORKS PROGRAM IN A GIVEN YEAR SHALL:**

18 **(1) PREPARE A REPORT OF ALL FEDERALLY TAXABLE**
19 **COMPENSATION PAID TO EXECUTIVES OF THE COMMUNITY SERVICE PROVIDER**
20 **DURING THE YEAR; AND**

21 **(2) SUBMIT THE REPORT BY JANUARY 31 OF THE FOLLOWING**
22 **YEAR TO:**

23 **(I) THE SECRETARY OF GENERAL SERVICES;**

24 **(II) THE SENATE BUDGET AND TAXATION COMMITTEE;**

25 **(III) THE HOUSE APPROPRIATIONS COMMITTEE; AND**

26 **(IV) THE HOUSE COMMITTEE ON WAYS AND MEANS.**

27 14–103.

28 (a) The State or a State aided or controlled entity shall buy supplies and
29 services from:

1 (1) Maryland Correctional Enterprises, as provided in Title 3, Subtitle
2 5 of the Correctional Services Article, if State Use Industries provides the supplies or
3 services;

4 (2) Blind Industries and Services of Maryland, if:

5 (i) Blind Industries and Services of Maryland provides the
6 supplies or services; and

7 (ii) Maryland Correctional Enterprises does not provide the
8 supplies or services;

9 (3) the Employment Works Program established under § 14–108 of
10 this subtitle, if:

11 (i) a community service provider provides the supplies or
12 services;

13 (ii) neither Maryland Correctional Enterprises nor Blind
14 Industries and Services of Maryland provides the supplies or services; and

15 (iii) the State or a State aided or controlled entity is not required
16 by law to buy the supplies or services from any other unit of the State government; or

17 (4) individual with disability owned businesses if:

18 (i) an individual with disability owned business provides the
19 supplies or services;

20 (ii) neither Maryland Correctional Enterprises, Blind Industries
21 and Services of Maryland, nor a community service provider provides the supplies or
22 services; and

23 (iii) the State or a State aided or controlled entity is not required
24 by law to buy the supplies or services from any other unit of the State government.

25 (b) The State or a State aided or controlled entity shall give preference to the
26 entities listed under subsection (a) of this section in the order that the entities are
27 listed.

28 14–108.

29 (a) In this section, “Program” means the Employment Works Program.

30 (b) There is an Employment Works Program in the Department of General
31 Services.

1 (c) The Secretary of General Services shall designate Maryland Works, Inc.,
2 or another appropriate coordinating entity, to facilitate the distribution of
3 procurement contracts for supplies and services among community service providers
4 and individual with disability owned businesses.

5 (d) The coordinating entity designated under subsection (c) of this section
6 shall:

7 (1) identify potential contracts for supplies and services eligible for
8 procurement;

9 (2) establish procedures for the selection of community service
10 providers to perform under potentially eligible contracts for preference procurement;

11 (3) establish procedures for remediation of noncompliance with State
12 or Program policies;

13 (4) provide training and technical assistance to participating
14 community service providers;

15 (5) conduct cost analyses and market research for submission and
16 review by the Pricing and Selection Committee for the Program;

17 (6) provide staff support for the Pricing and Selection Committee for
18 the Program; and

19 (7) serve as a monitoring agent to ensure that high quality standards
20 are met and maintained by the Program and its participating community service
21 providers.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2012.